From:	Icken, Andy - MYR
To:	Sylvester Turner - MYR
Subject:	Fwd: Re: RE:
Date:	Thursday, December 07, 2017 12:56:38 AM

I was asked to quantify where we can private sector incentive needs in houston Post Harvey. I added a section on EB5. Expect more dialogue including with Marvin as these thoughts are further developed. Wanted however to share with you preliminary thoughts.

Sent from my iPhone

Begin forwarded message:

> **From:** "Icken, Andy - MYR" <Andy.Icken@houstontx.gov>
> **Date:** December 7, 2017 at 2:50:10 PM GMT+8
> **To:** "Lent, Susan" <slent@AKINGUMP.COM>
> **Cc:** "Kelly, Bill - MYR" <Bill.Kelly@houstontx.gov>, "Verhoff, Geoff" <gverhoff@akingump.com>, "Odum, Marvin - MYR" <Marvin.Odum@houstontx.gov>
> **Subject: Re: RE:**
>
> Going to be difficult to create a supporting document. I'm currently with the mayor on a trade mission to China. But I'll try.
>
> That said, as we discussed recently we understand that it will take significant capital expenditure to repair and rebuild houston infrastructure, city facilities and private sector housing. We have substantial activities and others reaching out for that now. (-and I'm copying Marvin Odum who is leading those activities I just mentioned for the city)
>
> I'm going to separately comment on the absolute need to engage the private sector in the restoration and rebuilding activity for houston.- with a special emphasis on economic development incentives. We want to leverage these private organizations with their capital and expertise to aide in our effort wherever we can. We believe this leveraging substantially reduces public sector requirements and brings the skills and expertise to the overall restoration process.
>
> -Historically New Market Tax Credits(NMTC) have been a valuable tool to facilitate both public non profit and private projects. The additional support NMTC affords is a major opportunity to close gaps in projects that wouldn't happen without them. I can easily see up to 200m$ of NMTC that could be effectively used over the next three years. This level of NMTC is consistent with we understand we're offered and used Post Katrina and Sandy.
>
> - Another major development tool has been Low Income Tax Credits(LITC). We understand these are administered currently through the state. That said our housing situation is such after Harvey that we see a substantial need well beyond historic state allocations. This is particularly the case for 9% Tax Credits. We are working towards further quantification of needs here but we believe there are very

real private sector investment opportunities in low income properties of at least 300m$. A special allocation of these credits to Houston would, we believe be very effectively used over the next 3 years.

- Private Activity Bonds(PAB). We have historically seen PAB used in our infrastructure especially our airport system. Many airlines have used their private capital and PAB 's to fund airport facilities. In addition there are other opportunities in Public Private Partnerships that could help rebuild city facilities - keeping PAB's for all city facilities could be valuable to us. Finally PAB's are used for qualified private investments that also can restore viable and bring new investments to Houston.

- Finally I'll comment on EB5 investments. I know these are not part of the tax bill but are scheduled to expire on dec 8. There is preliminary conversations on extensions with perhaps an allocation focusing on some rural investments. We would ask as the program is renewed(and we support that) we would ask that a special focus be and an allocation set for areas particularly hard hit by natural disasters like Houston-and elsewhere.

Sent from my iPhone

On Dec 6, 2017, at 10:39 PM, Lent, Susan <slent@AKINGUMP.COM> wrote:

> Andy,
>
> Here is the state of play as I know it. I am copying my colleague, Geoff Verhoff, who is closely following the tax deliberations in case he has anything to add. I also am copying Bill, who was in D.C. yesterday in case he wants to weigh in.
>
> <!--[if !supportLists]-->1. <!--[endif]-->Brady did not want to create economic incentives specific to the disasters so there will be no new credits/incentives specific to Harvey.
> <!--[if !supportLists]-->2. <!--[endif]-->There is $300 million in the Administration's disaster request for Economic Development Grants for areas affected by the hurricanes. We should be thinking about what project to pursue so that we are ready to compete for a portion of the funds.
> <!--[if !supportLists]-->3. <!--[endif]-->Regarding the tax bill, here is the state of play:
>
> > <!--[if !supportLists]-->a. <!--[endif]-->AMT: House repeals AMT; Senate retains.
> > <!--[if !supportLists]-->b. <!--[endif]-->NMTCs: House repeals; Senate retains.
> > <!--[if !supportLists]-->c. <!--[endif]-->Advance Refunding Bonds: Repealed in both.
> > <!--[if !supportLists]-->d. <!--[endif]-->Private Activity

Bonds: Repealed in House; Senate retains. The latest discussion is that Brady wants to retain for infrastructure but curtail for other purposes.

<!--[if !supportLists]-->e. <!--[endif]-->Low Income Housing Tax Credits: Retained in both.

Bill and Andy, should we weigh in with Brady once more on any of these issues? Can we put together a short summary of what all these programs mean to the City?

Susan

Susan H. Lent
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From: Icken, Andy - MYR [mailto:Andy.Icken@houstontx.gov]
Sent: Tuesday, December 05, 2017 9:10 PM
To: Lent, Susan
Subject:

Susan

Thinking through both tax bill and economic incentives created to overcome Harvey. Where do we stand on economic incentives liKE NMTC,EDI grantsand the like. Understand there is also a proposal floating to enhance EB5 renewal with emphasis on recovering Areas like Houston. Thoughts?

Sent from my iPhone

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